GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:432
ANSWERED ON:25.08.2006
GENERAL CREDIT CARDS
Reddy Shri Magunta Sreenivasulu

Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India (RBI) has permitted all banks, including Regional Rural Banks (RRBs) to issue General Credit Cards (GCC) in rural and semi urban areas ;

(b) if so, the details and the features thereof; and

(c) the benefits likely to accrue therefrom ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE MINISTER (SHRI P.CHIDAMBARAM)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.432 FOR 25th AUGUST, 2006 REGARDING GENERAL CREDIT CARDS TABLED BY SHRI MAGUNTA SREENIVASULU REDDY.

(a) & (b) Reserve Bank of India has issued guidelines to all scheduled commercial banks/Regional Rural Banks on 27th December, 2005 for issuing General Credit Cards (GCCs) to their constituents in rural and semi urban areas. As per the guidelines, the GCC holder will be entitled to draw cash from the specified branch of the bank upto the sanctioned limit which should not exceed Rs. 25,000/-. The limit may be periodically reviewed and revised / cancelled depending on the track record of the account holder. Under the scheme, there would not be any insistence on security and the purpose or end-use of the credit. Interest rate on the facility may be charged, as considered appropriate and reasonable.With a view to target women as beneficiaries of bank credit, they may be given a preferential treatment under the GCC Scheme.

(c) The objective of the GCC scheme is to provide hassle-free credit to banks` customers including labourers and persons belonging to low-income groups, without any insistence on security or end use of the credit.